

FCC Form 480 Carrier Annual Reporting  
Data Collection FormFCC Form 480  
OMB Control No. 3060-0985/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Kenith Crose
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	FilingRAD@tec.com
Form Type		54.313 and 54.422

REDACTED  
FCC COPY

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No: 3060-0986/OMB Control No: 3060-0819  
July 2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	FlilingRADotEE.com

<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing \$54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input checked="" type="radio"/> (yes) <input type="radio"/> (no)
<111>		(yes / no) <input type="radio"/> (yes) <input type="radio"/> (no)

If your answer to Line <111> is yes, please file a progress report, on line  
<112> delineating the status of your company's existing \$ 54.202(a) "5 year  
plan" on file with the FCC, as it relates to your provision of voice telephony  
service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years,  
your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a  
CETC which only receives frozen support, your progress report is only  
required to address voice telephony service.

250317-AL-112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm  
that the attached document(s), on line 112, contains a progress report on its five-year  
service quality improvement plan pursuant to §54.202(a). The information shall be  
submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

(200) Service Outage Reporting (Voice)		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	
Data Collection Form			
<010>	Study Area Code	250317	
<015>	Study Area Name	ROANOKE TEL CO	
<020>	Program Year	2017	
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose	
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@tcc.com	

[illegible]

(300) Unfulfilled Service Request  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	250317
<015> Study Area Name	ROANOKE TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035> Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	PillingsPAD@tcc.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	pfilingeRADetec.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0386/OMB Control No. 3050-0819  
July 2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Ccone
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013849670 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	Pilling@RADetac.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	250317-AL-510.pdf

(600) Functionality in Emergency Situations Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013649070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	PillingRADnetac.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	250317-AL-610.pdf

## ECC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Croese
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	fillingsbraut@ec.com
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]





<div> <div> (800) Operating Companies  Data Collection Form </div> <div> FCG Form 481  OMB Control No: 3060-0985 / OMB Control No: 3060-0819  July 2013 </div> </div>			
	Study Area Code	Study Area Name	Program Year
<010>	250317	ROANOKE TEL CO	2017
<015>		Roanoke Telephone Company, Inc.	
<020>		Telephone Electronics Corporation	
<030>		Roanoke Telephone Company, Inc.	
<035>		Roanoke Telephone Company, Inc.	
<039>		Roanoke Telephone Company, Inc.	
<810>		Roanoke Telephone Company, Inc.	
<811>		Telephone Electronics Corporation	
<812>		Roanoke Telephone Company, Inc.	
<813>			

(900) Tribal Lands Reporting  
Data Collection Form

Page Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0989  
July 2013

<010>	Study Area Code	250317
<015>	Study Area Name	RODNOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	FillingRADetec.com

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

Name of Attached Document

<920> Tribal Government Engagement Obligation

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select Yes or No or Not Applicable

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

## (1000) Voice and Broadband Service Rate Comparability

## Data Collection Form

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3050-0819

JUL 20 13

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	5013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@ec.com

&lt;1000&gt; Voice services rate comparability certification

Yes

250317-AL-1010.pdf

&lt;1010&gt; Attach detailed description for voice services rate comparability compliance

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

&lt;1020&gt; Broadband comparability certification

250317-AL-1030.pdf

&lt;1030&gt; Attach detailed description for broadband comparability compliance

Name of Attached Document

(1100) No Terrestrial Backhaul Reporting  
Data Collection Form

ECG Form 4803

OMB Control No: 3060-0986/OMB Control No: 3060-0819  
July 2013

<010>	Study Area Code	250317
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	601.354.9070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	Filing@Adotec.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers	
Data Collection Form	
<div style="text-align: right;">                     FCC Form 481                      OMB Control No: 3060-0586/OMB Control No: 3060-0819                      JULY 2013                 </div>	

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@ec.com

Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.ec.com/Terms#Lifeline>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

☒

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,

☒

<1222> Details on the number of minutes provided as part of the plan,

☒

<1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation		FCC Form 481	
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
Including Rate-of-Return Carriers Affiliated with Price Cap Local Exchange Carriers		July 2013	

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	8013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	FillingRAD@tel.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

### Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing  
Required Information

Name of Attached Document Listing  
Required Information

(2000) Price Cap Carrier (Additional Documentation) (Continued)

Data Collection Form

Including Rate of Return Carriers Affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3065-0095/OMB Control No. 3065-0015  
July 2013**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017B&gt; Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(iii)

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

&lt;2020&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

&lt;2021&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

&lt;2026&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

&lt;2027&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

Name of Attached Document Listing  
Required InformationName of Attached Document Listing  
Required Information



(3005) Date of Return	Carrier Additional Documentation	CC Form 481
Data Collection Form		CMB Control No. 3060-0266/CMB Control No. 3060-0812
		7/1/2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
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<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
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<039>	Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@tec.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Milestone Certification (47 CFR § 54.313(f)(1)(i))	Yes - Attach Certification
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	Yes - Attach New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<input checked="" type="radio"/> Yes <input type="radio"/> No
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input type="radio"/> Yes <input checked="" type="radio"/> No
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	(Yes/No) <input checked="" type="radio"/> Yes <input type="radio"/> No
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	<input checked="" type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information

Financial Data Summary	
(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

4005 Rural Broadband Experiment-Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crone
<035>	Contact Telephone Number - Number of person identified in data line <030>	5013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	Filingsta@detec.com

#### 4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

#### Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

#### Community Anchor Institutions – FCC 14-98 (paragraph 79)

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information \_\_\_\_\_

#### Broadband Deployment Locations – FCC 14-98 (paragraph 80)

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information \_\_\_\_\_

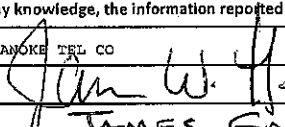
**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information \_\_\_\_\_

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0936/OMB Control No. 3060-0819 July 2013
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<039> Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@tel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	ROANOKE TEL CO
Signature of Authorized Officer:	
Printed name of Authorized Officer:	JAMES GARNER
Title or position of Authorized Officer:	VICE PRESIDENT OF OPERATIONS
Telephone number of Authorized Officer:	601-354-9070
Study Area Code of Reporting Carrier:	250317
Filing Due Date for this form:	07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification Agent/Carrier Data Collection Form	RCC Form 48 OMB Control No. 3060-0086/OMB Control No. 3060-0819 July 2015
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<010> Study Area Code	250317
<015> Study Area Name	ROANOKE TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035> Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	FilingsRAD@tcc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

©MB Control No: 3060-0986/©MB Control No: 3060-0819  
July 2013

1/1/2016
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<703>

[illegible]





OMB Control No: 3060-0986/OMB Control No: 3060-0819  
JUL 2013

<010>	Study Area Code	250317
<015>	Study Area Name	ROANOKE TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Kenith Crose
<035>	Contact Telephone Number - Number of person identified in data line <030>	6013549070 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	P.LlingleRAD@ec.com
<810>	Reporting Carrier	Roanoke Telephone Company, Inc.
<811>	Holding Company	Telephone Electronics Corporation
<812>	Operating Company	Roanoke Telephone Company, Inc.

[illegible]

**CONFIDENTIAL**  
**NOT FOR PUBLIC INSPECTION**

**Five-Year Network Improvement Plan and Progress Report**  
**For Roanoke Telephone Company, Inc.**

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) required Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.<sup>1</sup> In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”<sup>2</sup> Roanoke Telephone Company, Inc. (“Roanoke” or the “Company”) is a rate-of-return carrier ETC and hereby submits its five-year network improvement plan as well as a progress report covering any progress made on the initial five-year network improvement plan submitted in 2015.

**I. The Company’s Five-Year Network Improvement Plan**

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it set forth the following criteria as to how the ETC is to describe with

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<sup>1</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC 11-161*, No. 11-9900 [www.ca10.uscourts.gov/opinions/11/11-9900.pdf](http://www.ca10.uscourts.gov/opinions/11/11-9900.pdf) (10th Cir. filed May 23, 2014); see also *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para’s. 4, 6-9. Delaying Five-year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

<sup>2</sup> *March 5, 2013 Order* at Para. 9 citing Section 54.202(a)(1)(ii).

“specificity” the proposed improvements or upgrades to the ETC’s network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.<sup>3</sup>

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”<sup>4</sup> Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”<sup>5</sup> The instructions also require that in subsequent annual progress reports, which must include the total amount of universal support received, this information must be provided “broken out separately

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<sup>3</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“2005 ETC Order”).

<sup>4</sup> *Id.*

<sup>5</sup> Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

by the amount spent on capital expenses and the amount spent on operating expenses.”<sup>6</sup> Accordingly, the Company’s five-year plan separately provides both capital expenditures and operating expenses.

**A. The Company’s Major Network Improvement Projects**

Based upon this framework, Appendix A updates the Company’s five-year plan submitted in 2015 and reflects Roanoke’s major network improvement projects for the five calendar years 2016 through 2020<sup>7</sup> along with the start and completion dates, capital costs, areas and population associated with those projects.

**B. How These Projects Will Improve the Network**

Ongoing projects include transport upgrades that will update antiquated technology which will soon be unsupported throughout the network and help reduce trouble tickets. Various other upgrades during this time include new computers, new vehicles, and other work equipment; these will be used to replace outdated equipment and address maintenance issues. Roanoke requires all batteries be tested regularly to insure reliability of the network under emergency situations, which means regular battery replacement throughout the five years. Routine outside plant upgrade projects will be regarded as the normal course of business for maintaining plant facilities and the network. Finally there will be various broadband upgrades and central office power upgrades; these projects will help to expand the network and update technology to allow higher broadband internet bandwidth speeds. See Appendix A for a full breakdown including costs of the various projects.

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<sup>6</sup> Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

<sup>7</sup> Based upon informal discussions with the FCC, the initial five-year network improvement plan covered calendar years 2015 through 2019.

**C. Estimated Capital Expenditures and Operating Expenses**

The first table in Appendix B included herein specifies the capital expenditures (projects) in Appendix A, by Part 32 account, along with the respective year in which the expenditures are expected to occur. In the second table of Appendix B, the projected operating expenses are provided, including depreciation expense for both embedded plant investment and for capital expenditures, which begins when the capital expenditures are projected to be placed into service.

**II. The Company's Progress Report on its Five-Year Network Improvement Plan**

In 2015, Roanoke completed the fiber to the business district project. Roanoke updated 2016 financial information based on project completion; this is provided on Appendix A. Roanoke hereby provides the following required elements of its progress report to satisfy Form 481 reporting obligations.

**A. The Amount of Universal Service Support Received by the Company**

For the 2015 calendar year, Roanoke received a total of [REDACTED] in high cost universal service support ("USF") through the following mechanisms:

- [REDACTED] for Interstate Common Line Support ("ICLS");
- [REDACTED] for High Cost Loop Support ("HCLS");
- [REDACTED] CAF Support;

**B. How Roanoke Telephone Company, Inc. Has Used USF to Improve Service Quality, Coverage and Capacity**

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support ("USF") "only for the provision, maintenance, and upgrading of

facilities and services for which the support is intended.”<sup>8</sup> Pursuant to Section 54.314 of the FCC’s rules, in order for state-designated ETCs to receive USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”<sup>9</sup> ETCs not designated by a state must file similar certifications with the FCC.<sup>10</sup>

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five-year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.<sup>11</sup> The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.<sup>12</sup> In this context, the Commission stated, “[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”<sup>13</sup>

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<sup>8</sup> 47 U.S.C. § 254(e).

<sup>9</sup> 47 C.F.R. § 54.314(a).

<sup>10</sup> 47 C.F.R. § 54.314(b).

<sup>11</sup> See *USF/ICC Transformation Order* at Para. 612.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* (emphasis supplied).

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Roanoke depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan as updated herein and the progress reports will have in the annual Section 254(e) certification process, Roanoke's plan and progress reports demonstrate how the Company has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

**C. Maps Depicting the Company's Network Progress**

Attached to this Five-Year Network Improvement Plan as Appendix C is Roanoke's map depicting the extent of the Company's network within its service area and indicating specific geographic areas associated with certain projects listed above.

**D. Network Improvement Targets Not Met**

Roanoke has completed all planned network improvement projects. The Company will report information for calendar year 2016 as well as progress towards meeting its targets for that year in its progress report submitted in 2017.

Study Area Code  
Study Area Name  
Company Contact Name  
Contact Telephone Number  
Contact Email Address

250317

Roanoke Telephone Company, Inc.

Lisa Wightington

(601) 354-9070

[FilingsRAD@TEC.com](mailto:FilingsRAD@TEC.com)

APPENDIX A - PROJECT LIST FOR 2016-2020

Project	Start Date	Completion	Areas	Population(1)	Total Dollars	Notes from JSI Separations Contact & Company Discussion	
						Part 32 Account	Voice, Broadband, Both, etc.
Transport Upgrade	2016	2020	All Exchanges	15,400		2210	Both
Central Office Power Upgrades	2016	2020	All Exchanges	15,400		2212	Both
Building Improvements	2016	2020	All Exchanges	15,400		2121	Both
New Computers	2016	2020	All Exchanges	15,400		2124	Both
New Vehicles	2016	2020	All Exchanges	15,400		2112	Both
Battery Replacement	2016	2020	All Exchanges	15,400		2232	Both
Test Equipment Upgrade	2016	2020	All Exchanges	15,400		2114	Both
Other Work Equipment	2016	2020	All Exchanges	15,400		2114	Both
Routine Outside Plant Upgrade Project	2016	2020	All Exchanges	15,400		2423	Both
Broadband Upgrade and Expansions	2016	2020	All Exchanges	15,400		2232	Broadband
<b>Totals</b>							



Study Area Code 250317  
Study Area Name Roanoke Telephone Company, Inc.  
Company Contact Name Lisa Wigington  
Contact Telephone Nun (601) 354-9070  
Contact Email Address FilingsRAD@TEC.com

**APPENDIX B: 5-Year Proposed Capital Expenditures and Operating Expenses**

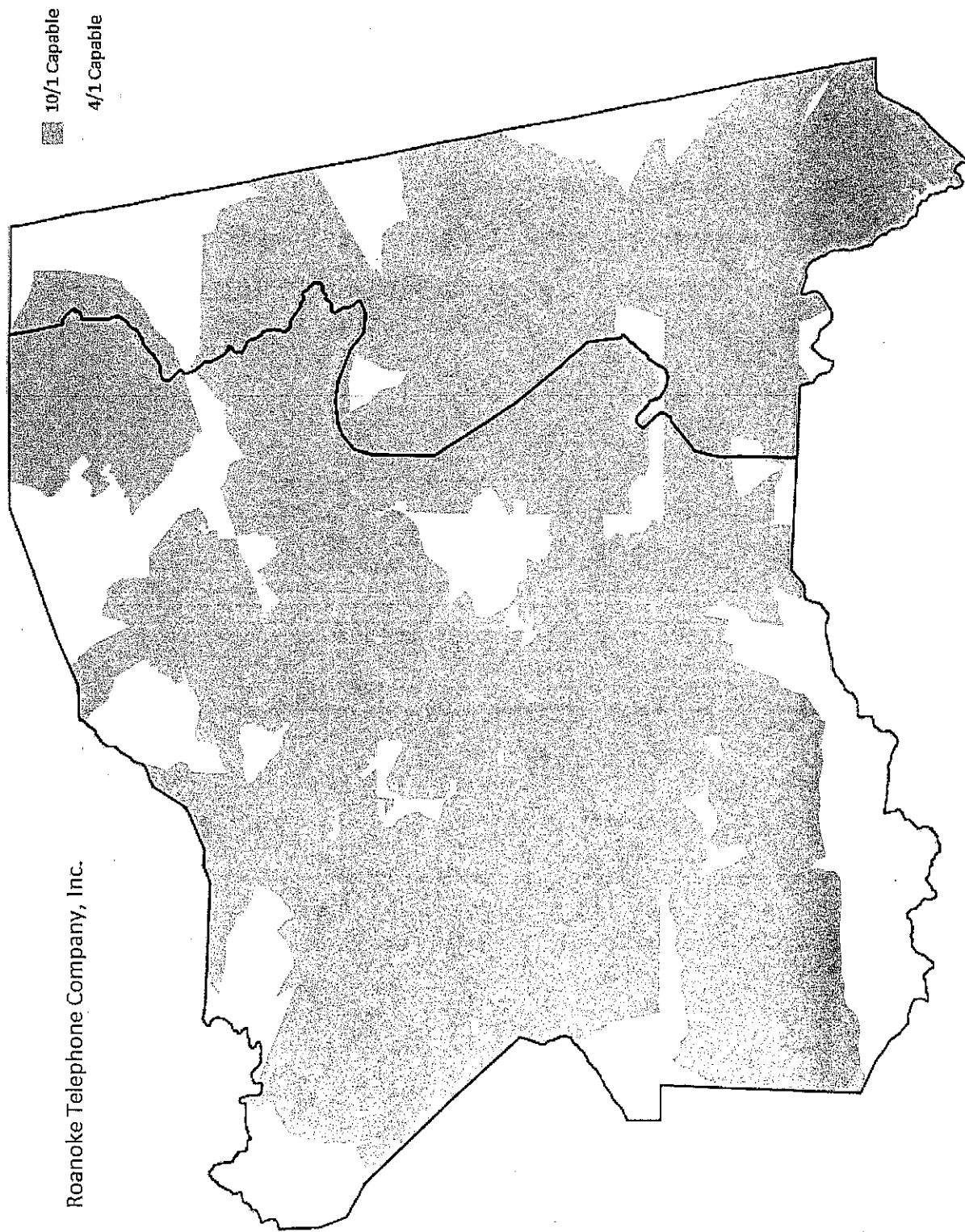
(1) Use the chart below to break out the regulated portion of the cost/expense on a per-year basis  
Please note that the 5-Year Plan should include regulated plant/expenses only.

Regulated Capital Expenditure (CapEx) Projections							
Account	Description	2016	2017	2018	2019	2020	Total Projected CapEx 2016-2020
2111 & 2121	Land & Building						
2112	Vehicles						
2122-2124	Support Assets						
2210	Switching Equipment						
2232	Circuit Equipment						
2410-2440	Cable & Wire Facilities						
1220	Materials & Supplies						
	Total Capital Expenditures						

Regulated Operating Expenditure (OpEx) Projections						
Account	Operating Expenses	2016	2017	2018	2019	2020
6110-6120	General Support Maintenance					
6210	Switching Maintenance					
6230	COE Transmission Maintenance					
6410	Cable & Wire Facilities					
6530	Non-Specific (Testing, Plant Op., Engineering)					
6561-2110	General Support Depreciation					
6561-2210	Switching Depreciation					
6561-2230	Circuit Equip Depreciation					
6561-2410	Cable & Wire Depreciation					
6610-6620	Customer Operations					
6711-6720	Corporate Operations					
7240	Ad Valorem Expense					
	Total Operating Expenses					
						Total Operating Expenses 2016-2020

Appendix C

Roanoke Telephone Company, Inc.



**Roanoke Telephone Company, Inc.'s demonstration of complying with applicable service quality standards and consumer protection rules:**

In establishing this certification in its *2005 ETC Order*,<sup>1</sup> the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."<sup>2</sup> The Commission found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement" and that the sufficiency of other commitments would be considered on a case-by-case basis.<sup>3</sup> In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."<sup>4</sup>

Roanoke Telephone Company, Inc. ("Company") hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under state law. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff pursuant to the requirements of the Alabama Public Service Commission's Rules and Regulations, Telephone Rules, Rule T-12, Filing of Telephone Tariffs and The Code of Alabama 1975 Section 37-1-81, which disclose rates, terms and conditions of service to customers; (2) adherence to state consumer protection requirements governing telephone providers which require adherence to minimum service standards as

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<sup>1</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("*2005 ETC Order*").

<sup>2</sup> *Id.* at para. 28.

<sup>3</sup> *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy." *Id.* at n. 71.

<sup>4</sup> *Id.* at n. 72.

identified in the Alabama Public Service Commission's Rules and Regulations, Telephone Rules, Rule T-21, protection against cramming and other deceptive practices as identified in Rule T-16(C)(11); (3) truth-in-billing requirements as identified in Rule T-16; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

**Roanoke Telephone Company, Inc.'s Ability to Function in Emergency Situations**

Roanoke Telephone Company, Inc. hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup> and the Alabama Public Service Commission Rules and Regulations, Telephone Rules. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities within company exchanges. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require. The Company does not have an alternate path of egress and therefor is reliant on a single meetpoint for broadband and voice network availability outside the local exchange carrier's boundary.

Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. The Company's central office(s) that have twenty-four (24) hour maintenance coverage or have an automatic start engine alternator can provide a minimum of three (3) hours of batter reserve in accordance with the Alabama Public Service Commission Rules and Regulations, Telephone Rules, Rule T-21(L)(2). All other central office(s), as and if

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<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

applicable, have a minimum of eight (8) hours of battery reserve in accordance with Rule T-21(L)(2).

If Roanoke Telephone Company, Inc. is unable to route E911 traffic through traditional means during an emergency situation there is a temporary plan in place to ensure E911 functionality. After notifying the Roanoke Police Department, E911 calls will be rerouted to the Roanoke Police Department where members of the police will radio relay the calls to the E911 dispatch facility in Wedowee, AL.

**Voice Services Rate Comparability****Roanoke Telephone Company, Inc.'s calculation for rate floor certification:**

Roanoke Telephone Company, Inc. ("Roanoke") certifies that its pricing of fixed voice services is no more than two standard deviations above the applicable national average urban rate floor for voice services. Roanoke calculates the average local voice rate using the following formula:

Local Rate + State SLC + State USF + Mandatory EAS

The local rate for Roanoke's customers is \$16.01, there is no state SLC or USF and no mandatory EAS. Based on the formula above, Roanoke's residential rates are \$16.01, well below the threshold of \$41.07 set by the Wireline Competition Bureau.

**Broadband Services Rate Comparability****Roanoke Telephone Company, Inc. calculation for rate floor certification:**

Roanoke Telephone Company, Inc.'s (Roanoke) certifies that its pricing of fixed broadband services is no more than the benchmark rate set by the wireline competition bureau. Using the FCC Reasonable Comparability Benchmark Calculator Bay Springs found that its broadband service offerings are lower on many packages that meet the minimum requirements.

4Mbps Download/1Mbps Upload 300 GB Usage Allowance

Benchmark = \$72.45

Roanoke Price = \$54.95

5Mbps Download/2Mbps Upload 300 GB Usage Allowance

Benchmark = \$72.80

Roanoke Price = \$64.95



**Roanoke Telephone Company, Inc.**

**List of New Community Anchor Institutions**

Randolph County Court Referral

3164 US HWY 431 Apt: Suite 4, Roanoke, AL 36274

Activation Date: 9/21/2015

**ROANOKE TELEPHONE COMPANY, INC.**  
(A wholly-owned subsidiary of Telephone Electronics Corporation)

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2015 and 2014**

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### **FINANCIAL STATEMENTS**

Independent Auditors' Report

Balance Sheets

Statements of Stockholder's Equity

Statements of Income

Statements of Cash Flows

Notes to Financial Statements

# HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA  
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA  
Lynn Andries, CPA, CGMA  
Esther Atteberry, CPA  
Lori Woodard, MBA, CPA, CGMA, CITP  
Fernando Cordova, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Roanoke Telephone Company, Inc.  
Roanoke, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of Roanoke Telephone Company, Inc. (a wholly-owned subsidiary of Telephone Electronics Corporation – the Company), which comprise the balance sheets as of December 31, 2015 and 2014 and the related statements of income, changes in stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Roanoke Telephone Company, Inc.  
Independent Auditors' Report

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Huffman & Signer*

(A Professional Accounting Corporation)  
March 31, 2016

**ROANOKE TELEPHONE COMPANY, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**

**Assets**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 70,759	\$ 219,000
Accounts receivable		
Customers, less allowance for doubtful		
accounts of [REDACTED] and [REDACTED], respectively	[REDACTED]	261,732
Toll settlements	-	0,125
Other	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Deferred tax assets (Note 7)	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>NONCURRENT ASSETS</b>		
Investments (Note 4)	[REDACTED]	[REDACTED]
Assets held for sale (Note 5)	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 5)</b>		
Regulated communications	[REDACTED]	[REDACTED]
Nonregulated communications	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Accumulated depreciation	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>TOTAL ASSETS</b>	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>

The accompanying notes are an integral part of these financial statements.

**ROANOKE TELEPHONE COMPANY, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**

**Liabilities and Stockholder's Equity**

	<u>2015</u>	<u>2014</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable		
Trade	\$ [REDACTED]	\$ [REDACTED]
Toll settlements	[REDACTED]	-
Affiliates (Note 2)	[REDACTED]	[REDACTED]
Other	[REDACTED]	[REDACTED]
Advance billings and customer deposits	[REDACTED]	[REDACTED]
Accrued taxes	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
<b>DEFERRED TAX LIABILITIES (Note 7)</b>	[REDACTED]	[REDACTED]
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>	-	-
<b>REDEEMABLE PREFERRED STOCK (Note 8)</b>	[REDACTED]	[REDACTED]
<b>STOCKHOLDER'S EQUITY</b>		
Common stock, par value \$100 per share; 750 shares authorized, issued and outstanding	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	\$ [REDACTED]	[REDACTED]

The accompanying notes are an integral part of these financial statements.

**ROANOKE TELEPHONE COMPANY, INC.**  
**STATEMENTS OF STOCKHOLDER'S EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>Common Shares Outstanding</u>		<u>Total Stockholder's Equity</u>	<u>Common Stock</u>	<u>Retained Earnings</u>
	<b>BALANCES,</b>			
	December 31, 2013		\$	
-	Net income		-	
-	Dividends on common stock		-	
-	Dividend on preferred stock		-	
	<b>BALANCES,</b>			
	December 31, 2014			
-	Net income		-	
-	Dividend on preferred stock		-	
	<b>BALANCES,</b>			
	December 31, 2015			

The accompanying notes are an integral part of these financial statements.



**ROANOKE TELEPHONE COMPANY, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>REGULATED COMMUNICATIONS OPERATIONS</u></b>		
<b>REVENUES</b>		
Local service	\$ [REDACTED]	[REDACTED]
Network access and miscellaneous (Note 1)	[REDACTED]	[REDACTED]
<b>OPERATING EXPENSES</b>		
Plant operations	[REDACTED]	[REDACTED]
Depreciation (Note 5)	[REDACTED]	[REDACTED]
Customer and corporate operations	[REDACTED]	[REDACTED]
Other operating	[REDACTED]	[REDACTED]
 Operating loss	 [REDACTED]	 [REDACTED]
<b>NONOPERATING INCOME (EXPENSE)</b>		
Gain (Loss) on sale of assets	[REDACTED]	[REDACTED]
Other income - net (Note 1)	[REDACTED]	[REDACTED]
 Loss before income taxes	 [REDACTED]	 [REDACTED]
 <b>INCOME TAX BENEFIT (Note 7)</b>	 [REDACTED]	 [REDACTED]
 Loss from regulated communications operations	 \$ [REDACTED]	 \$ [REDACTED]

The accompanying notes are an integral part of these financial statements.

**ROANOKE TELEPHONE COMPANY, INC.**  
**STATEMENTS OF INCOME (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>NONREGULATED COMMUNICATIONS OPERATIONS</u></b>		
REVENUES (Note 1)	\$ [REDACTED]	[REDACTED]
<b>COST OF REVENUES</b>	[REDACTED]	[REDACTED]
Gross profit	[REDACTED]	[REDACTED]
<b>OPERATING EXPENSES</b>		
General operating expenses	[REDACTED]	[REDACTED]
Depreciation (Note 5)	[REDACTED]	[REDACTED]
Operating income	[REDACTED]	[REDACTED]
<b>NONOPERATING INCOME (EXPENSE)</b>	[REDACTED]	[REDACTED]
Income before income taxes	[REDACTED]	[REDACTED]
<b>INCOME TAX EXPENSE (Note 7)</b>	[REDACTED]	[REDACTED]
Income from nonregulated communications operations	[REDACTED]	[REDACTED]
Net income	[REDACTED]	[REDACTED]
Preferred stock dividend requirements	[REDACTED]	[REDACTED]
Net income (loss) applicable to common stock	\$ [REDACTED]	\$ [REDACTED]

The accompanying notes are an integral part of these financial statements.

**ROANOKE TELEPHONE COMPANY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ [REDACTED]	\$ [REDACTED]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation (Note 5)	[REDACTED]	[REDACTED]
Provision for losses on Accounts receivable - Customers	[REDACTED]	[REDACTED]
Provision for losses on toll settlements	[REDACTED]	[REDACTED]
(Gain) Loss on sale of regulated communications plant	[REDACTED]	[REDACTED]
Provision for deferred income taxes (Note 7)	[REDACTED]	[REDACTED]
Provision for inventory obsolescence	[REDACTED]	[REDACTED]
Changes in assets and liabilities	[REDACTED]	[REDACTED]
Net cash provided by operating activities	[REDACTED]	[REDACTED]
<b>INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	[REDACTED]	[REDACTED]
Net removal costs on regulated communications plant retirements	[REDACTED]	[REDACTED]
Proceeds from sale of regulated communications plant	[REDACTED]	[REDACTED]
Net cash used for investing activities	[REDACTED]	[REDACTED]
<b>FINANCING ACTIVITIES:</b>		
Dividends to common stockholder	[REDACTED]	[REDACTED]
Dividends to preferred stockholder (Note 8)	[REDACTED]	[REDACTED]
Net cash used for financing activities	[REDACTED]	[REDACTED]
 Net increase (decrease) in cash and cash equivalents	[REDACTED]	[REDACTED]
Cash and cash equivalents at beginning of year	[REDACTED]	[REDACTED]
Cash and cash equivalents at end of year	\$ [REDACTED]	\$ [REDACTED]

The accompanying notes are an integral part of these financial statements.

**ROANOKE TELEPHONE COMPANY, INC.**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Changes in assets and liabilities:</b>		
Accounts receivable		
Customers	\$ [REDACTED]	\$ [REDACTED]
Other	[REDACTED]	[REDACTED]
Materials and supplies	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
Accounts receivable/Accounts payable - Toll settlements	[REDACTED]	[REDACTED]
Accounts payable		
Trade	[REDACTED]	[REDACTED]
Affiliates (Note 2)	[REDACTED]	[REDACTED]
Other	[REDACTED]	[REDACTED]
Advance billings and customer deposits	[REDACTED]	[REDACTED]
Accrued taxes	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
	\$ [REDACTED]	\$ [REDACTED]

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

**Cash paid during the year for:**

Income taxes (Note 2)	\$ [REDACTED]	\$ [REDACTED]
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**NONCASH INVESTING AND FINANCING ACTIVITIES:**

Retirements of regulated communications plant at original cost	\$ [REDACTED]	\$ [REDACTED]
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